

Outline of Consolidated Financial Results for Fiscal 2009

May 11, 2010
Hitachi, Ltd.

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1-1. Financial Results Highlights

Highlights of Fiscal 2009 Results

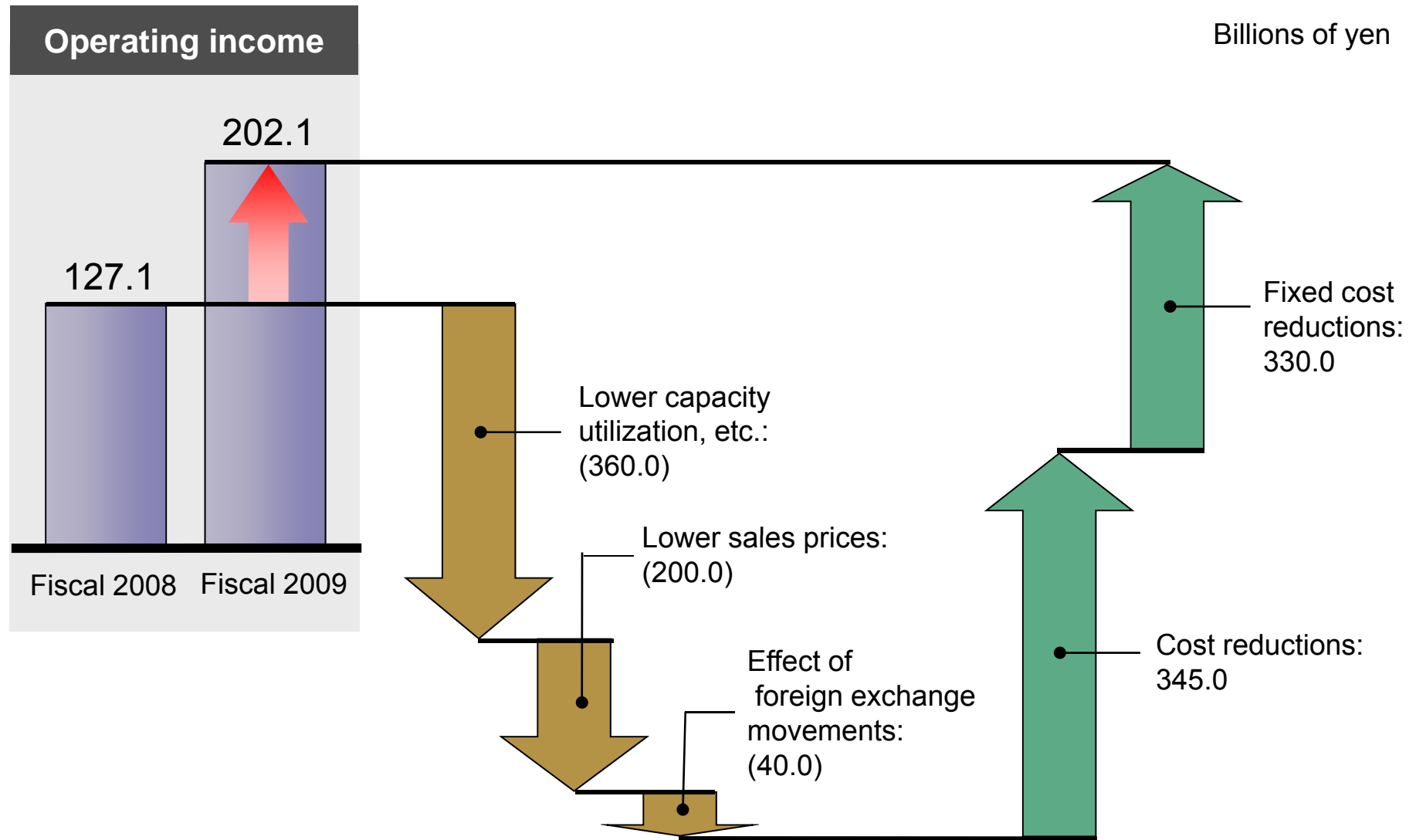
Revenues	<p><u>Revenues decreased 10% YoY</u></p> <ul style="list-style-type: none"> - Revenues declined year over year most notably in the Information & Telecommunication Systems, High Functional Materials & Components, and Components and Devices segments in line with sluggish economic conditions.
Operating income	<p><u>Consolidated operating income rose 59% YoY</u></p> <ul style="list-style-type: none"> - Reduced fixed costs and materials procurement costs Companywide. - Business structure reforms produced much improved earnings in the Automotive Systems and Digital Media & Consumer products segments. - Earnings declined in the Information & Telecommunication Systems and Construction Machinery segments due mainly to lower revenues.
Net other deductions	<p><u>Net other deductions improved 278.4 billion yen YoY</u></p> <ul style="list-style-type: none"> - Improvement in net equity in losses due to better performances by semiconductor-related affiliates and other entities. - Stabilization in forex markets eliminated exchange losses. - Decrease in business restructuring expenses <u>with the completion of the plan.</u>
Income taxes	<p><u>Income taxes decreased 357.2 billion yen YoY</u></p> <ul style="list-style-type: none"> - Incurred a one-off charge of 66.7 billion yen for write-offs of deferred tax assets associated with making 5 publicly listed companies wholly owned subsidiaries by TOBs. This may lead to lower tax expenses from fiscal 2010.
Net income (loss) attributable to Hitachi, Ltd.	<p><u>Net loss attributable to Hitachi, Ltd. improved 680.3 billion yen YoY</u></p> <ul style="list-style-type: none"> - Became profitable on a quarterly basis in terms of net income attributable to Hitachi, Ltd. from the third quarter (October-December 2009) of fiscal 2009.
Free cash flows	<p><u>Free cash flows was a positive 267.7 billion yen (258.7 billion yen YoY improvement)</u></p> <ul style="list-style-type: none"> - Achieved positive free cash flows for three straight years.

1-2. Consolidated Statements of Operations

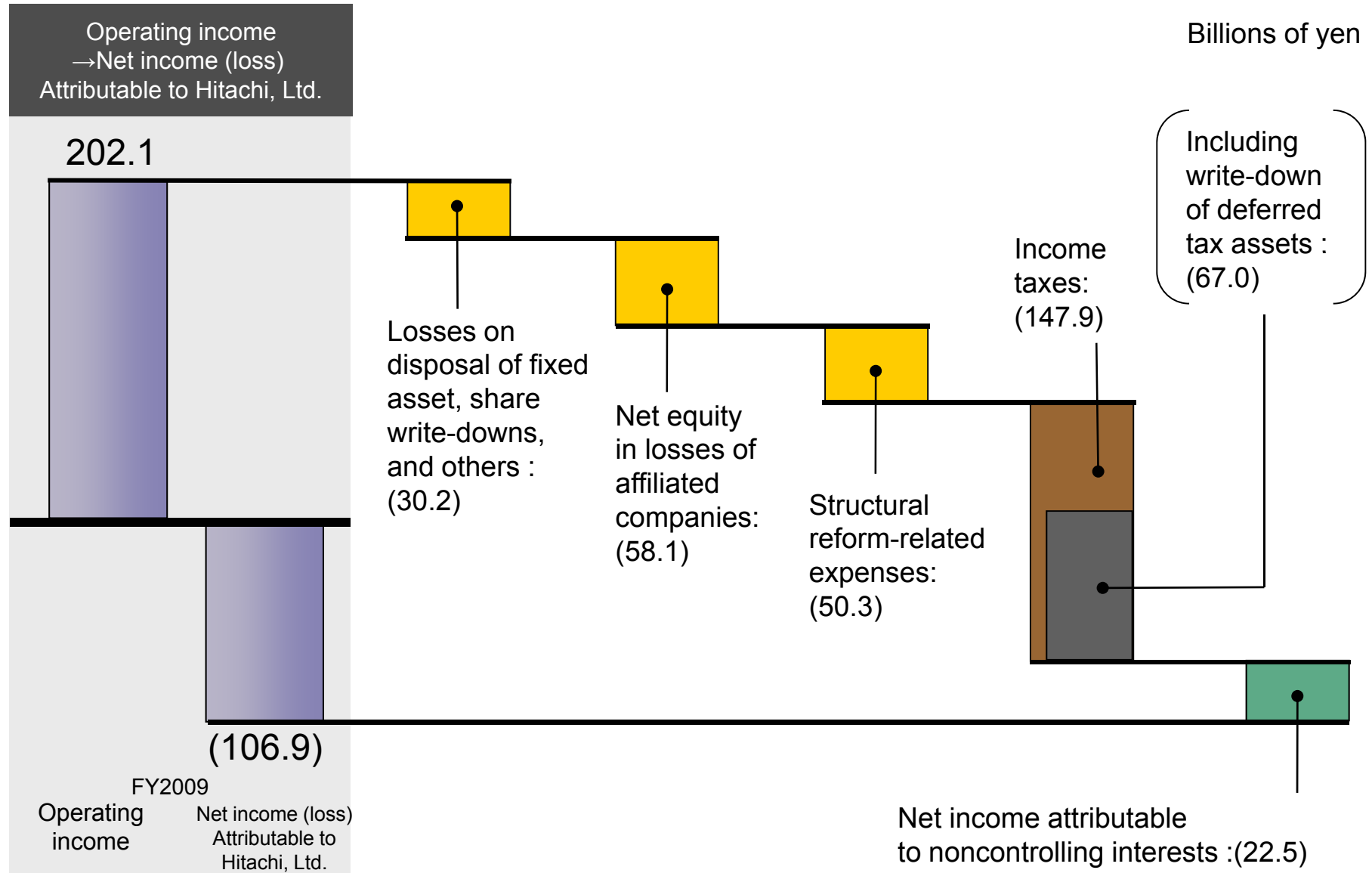
Billions of yen

	Fiscal 2008	Fiscal 2009	Year-over-year
Revenues	10,000.3	8,968.5	[90%] (1,031.8)
Operating income	127.1	202.1	[159%] 75.0
Net other deductions	(417.0)	(138.5)	278.4
Income (loss) before income taxes	(289.8)	63.5	353.4
Income taxes	505.2	147.9	(357.2)
Net loss	(795.1)	(84.3)	710.7
Net income (loss) attributable to noncontrolling interests	(7.7)	22.5	30.3
Net loss attributable to Hitachi, Ltd.	(787.3)	(106.9)	680.3

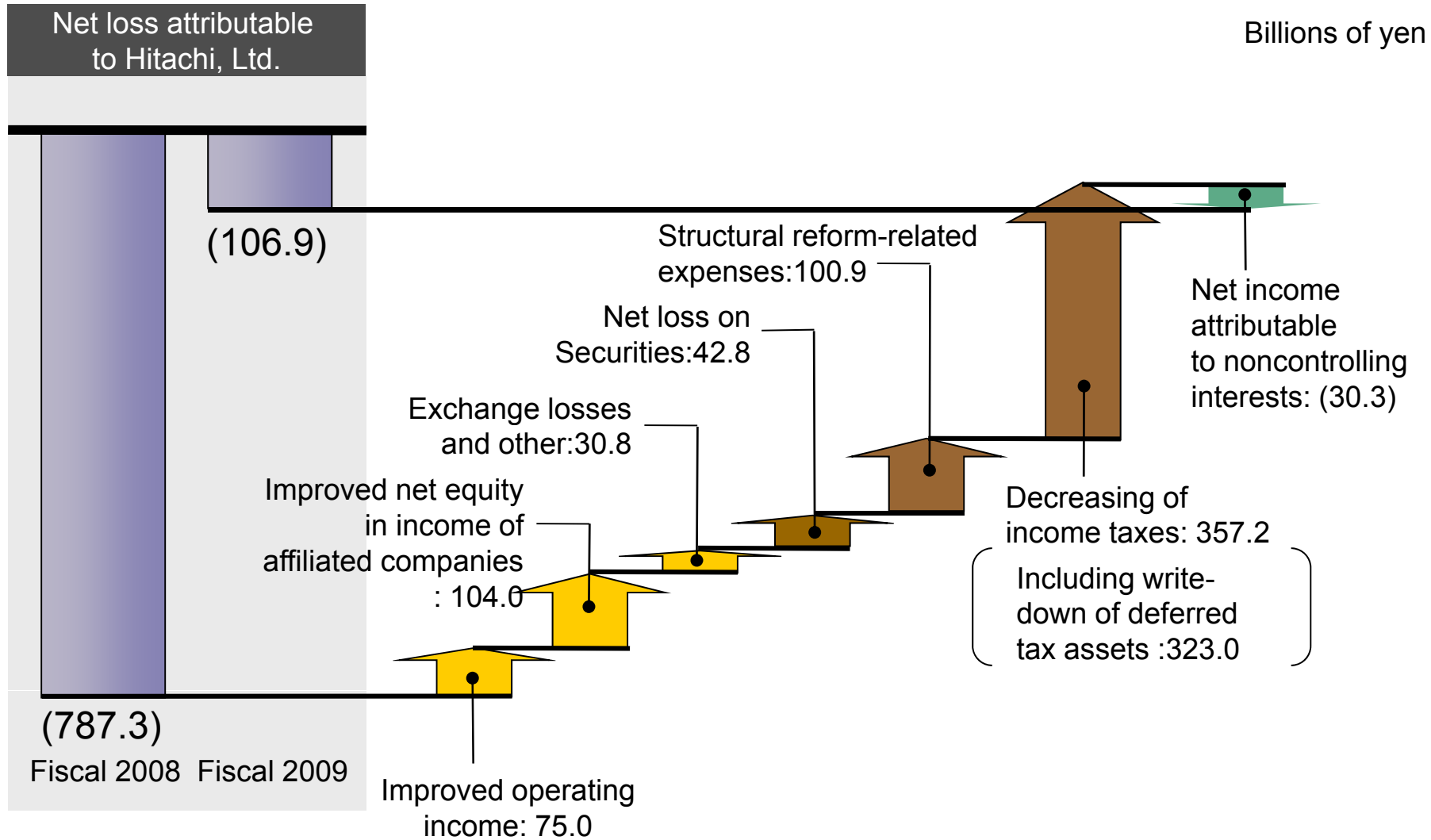
1-3. Major Factors for Change in Operating Income (Year-over-Year)



1-4. Major Factors for Change in Net Income (Loss) Attributable to Hitachi, Ltd.



1-5. Major Factors for Change in Net Loss Attributable to Hitachi, Ltd. (Year-over-year)



1-6. Revenues by Market

Billions of yen

	Fiscal 2008	Ratio	Fiscal 2009	Ratio	Year-over-year
Japan	5,861.4	59%	5,313.7	59%	91%
Outside Japan	4,138.9	41%	3,654.7	41%	88%
Asia	1,911.2	19%	1,699.0	19%	89%
China	1,078.5	11%	991.6	11%	92%
North America	899.5	9%	729.6	8%	81%
Europe	904.4	9%	824.6	9%	91%
Other Areas	423.6	4%	401.2	5%	95%
Total	10,000.3	100%	8,968.5	100%	90%

Ratio of overseas revenues 41 % → 41 %

1-7. Consolidated Balance Sheets

Billions of yen

	As of March 31, 2009	As of March 31, 2010	Change from March 31, 2009
Total assets	9,403.7	8,951.7	(451.9)
Total liabilities	7,224.3	6,683.9	(540.4)
Interest-bearing debt	2,820.1	2,367.1	(452.9)
Total Hitachi, Ltd. stockholders' equity	1,049.9	1,284.6	234.7
Noncontrolling interests	1,129.4	983.1	(146.2)
Total Hitachi, Ltd. stockholders' equity ratio	11.2%	14.4%	3.2points improvement
D/E ratio (Including noncontrolling interests)	1.29times	1.04times	0.25points improvement

1-8. Consolidated Statements of Cash Flows

Billions of yen

	As of March 31, 2009	As of March 31, 2010	Change from March 31, 2009
Cash flows from operating activities	558.9	798.2	239.3
Cash flows from investing activities	(550.0)	(530.5)	19.4
Free cash flows	8.9	267.7	258.7
Cash flows from financing activities	284.3	(502.3)	(786.7)

1-9. Consolidated Capital Investment, Consolidated R&D Expenditure

(1) Consolidated capital investment

Billions of yen

	Fiscal 2008	Fiscal 2009	Year-over-year
Consolidated capital investment	788.4	546.3	69%
Internal use assets	424.0	247.4	58%
Leasing assets	364.4	298.9	82%

(2) Consolidated R&D expenditure

Billions of yen

	Fiscal 2008	Fiscal 2009	Year-over-year
Consolidated R&D expenditures	416.5	372.4	89%
Percentage of revenues	4.2%	4.2%	-

1-10. Segment Information—New Segmentation

Segment Name	Major Companies, Group Companies	Segment Name	Major Companies, Group Companies
Information & Telecommunication Systems	Information & Telecommunication Systems Company	Automotive Systems	Hitachi Automotive Systems, Ltd., Clarion Co., Ltd.
Power Systems	Power Systems Company	Components & Devices	Battery Systems Company, Hitachi Maxell, Ltd., Hitachi Vehicle Energy, Ltd., Hitachi Displays, Ltd., Hitachi Global Storage Technologies
Social Infrastructure & Industrial Systems	Industrial & Social Infrastructure Systems Company, Urban Planning and Development Systems Company, Defense Systems Company, Hitachi Plant Technologies, Ltd., Hitachi Industrial Equipment Systems Co., Ltd.		
Electronic Systems & Equipment	Hitachi High-Technologies Corporation, Hitachi Medical Corporation, Hitachi Kokusai Electric, Inc., Hitachi Koki Co., Ltd., Hitachi Via Mechanics, Ltd.	Digital media & Consumer Products	Hitachi Appliances, Inc., Hitachi Consumer Electronics Co., Ltd.
Construction Machinery	Hitachi Construction Machinery Co., Ltd.	Financial Services	Hitachi Capital Corporation
High Functional Materials & Components	Hitachi Metals, Ltd., Hitachi Cable, Ltd., Hitachi Chemical Co., Ltd.	Others	Hitachi Transport System, Ltd., Chuo Shoji Ltd., Nikkyo Create, Ltd., Hitachi Life, Ltd., Hitachi Insurance Services, Ltd. etc.

Segment Information are prepared based on U.S.GAAPs starting from Fiscal 2009. The Company has changed the business segment classification starting from Fiscal 2009. Figures for Fiscal 2008 have been restated to reflect the reclassification.

1-11. Revenues by Industry Segment

Billions of yen

	Fiscal 2008	Fiscal 2009	Year-over-year
Information & Telecommunication Systems	1,945.3	1,705.5	88%
Power Systems	862.3	882.1	102%
Social Infrastructure & Industrial Systems	1,334.2	1,250.2	94%
Electronic Systems & Equipment	983.8	998.6	102%
Construction Machinery	724.6	583.6	81%
High Functional Materials & Components	1,561.0	1,249.3	80%
Automotive Systems	681.7	638.8	94%
Components & Devices	978.2	754.8	77%
Digital media & Consumer Products	1,103.8	929.2	84%
Financial Services	401.3	419.6	105%
Others	830.8	763.6	92%
Eliminations & Corporate items	(1,407.2)	(1,207.2)	-
Total	10,000.3	8,968.5	90%

1-12. Operating Income (Loss) by Industry Segment

Billions of yen

	Fiscal 2008	Fiscal 2009	Year-over-year
Information & Telecommunication Systems	138.4	94.5	(43.8)
Power Systems	3.4	22.0	18.5
Social Infrastructure & Industrial Systems	34.4	42.0	7.6
Electronic Systems & Equipment	25.7	(5.2)	(30.9)
Construction Machinery	51.3	17.6	(33.6)
High Functional Materials & Components	25.2	44.4	19.1
Automotive Systems	(60.5)	(5.4)	55.0
Components & Devices	5.7	1.1	(4.6)
Digital media & Consumer Products	(110.5)	(7.2)	103.3
Financial Services	6.6	8.5	1.8
Others	24.5	19.4	(5.0)
Eliminations & Corporate items	(17.4)	(29.8)	(12.3)
Total	127.1	202.1	75.0

1-13. Major Initiatives to Create a High Profit Structure in FY2009

■ Major Initiatives

Fixed cost reduction	Reduced 330.0 billion yen - Realigned and integrated bases, downsized the workforce, etc.
Reduced material procurement costs	Reduced by 310.0 billion yen - Expanded centralized purchasing, strengthened global procurement, etc.
Income taxes	Wrote-off 67.0 billion yen in deferred tax assets (One-time write-off associated with making 5 publicly listed companies wholly owned subsidiaries). Expect substantially lower tax expenses from fiscal 2010 due to the benefits of consolidated taxation.
Business structure reforms	- Continued implementing business structure reforms in the Automotive Systems, and Digital Media & Consumer Products segments. Returned to profitability on a quarterly basis in the Automotive System Segment from the third quarter (October-December 2009) and in the Digital Media & Consumer Products Segment from the second quarter (July-September 2009) of fiscal 2009. - HDD operations were profitable in the January-December 2009 fiscal year for the second year running.

■ FY2009 financial results by quarterly basis

Billions of yen

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Operating income(loss)	(50.5)	25.8	66.3	160.5
Net income(loss) Attributable to Hitachi, Ltd.	(82.6)	(50.5)	21.8	4.3

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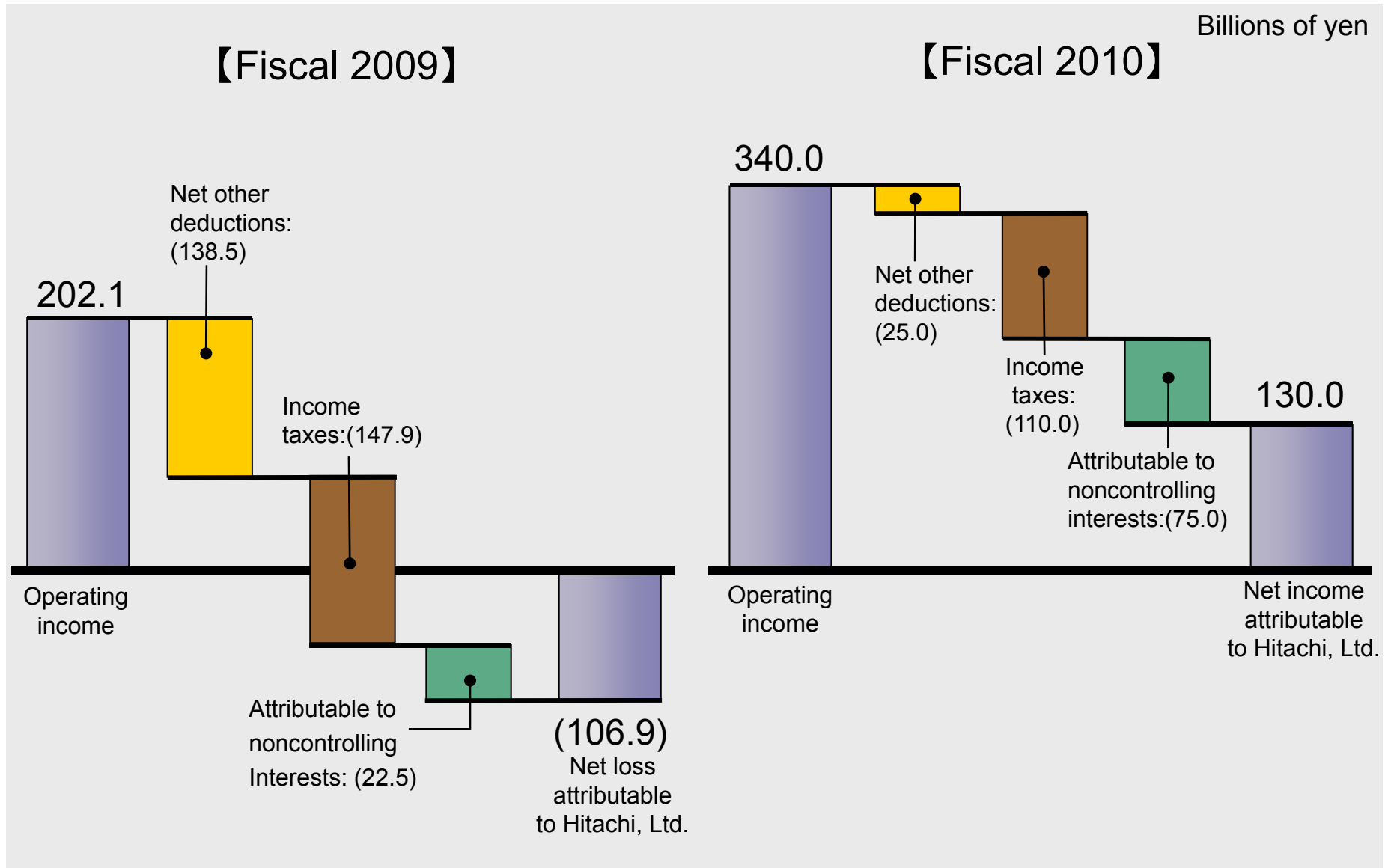
2-1. Outlook for Fiscal 2010

Projections for fiscal 2010 assume an exchange rate of 85 yen to the U.S. dollar and 120 yen to the euro.

Billions of yen

	Fiscal 2009	Fiscal 2010 (Forecast)	Year-over-year
Revenues	8,968.5	9,200.0	[103%] 231.4
Operating income	202.1	340.0	[168%] 137.8
Net other deductions	(138.5)	(25.0)	113.5
Income before income taxes	63.5	315.0	251.4
Income taxes	147.9	110.0	(37.9)
Net income (loss)	(84.3)	205.0	289.3
Net income (loss) attributable to noncontrolling interests	22.5	75.0	52.4
Net income (loss) attributable to Hitachi, Ltd.	(106.9)	130.0	236.9

2-2. Reasons for Net Income (Loss) Attributable to Hitachi, Ltd. and Response



2-3. Outlook for Fiscal 2010 Revenues by Industry Segment

Billions of yen

	Fiscal 2009	Fiscal 2010 (Forecast)	Year-over-year
Information & Telecommunication Systems	1,705.5	1,730.0	101%
Power Systems	882.1	880.0	100%
Social Infrastructure & Industrial Systems	1,250.2	1,090.0	87%
Electronic Systems & Equipment	998.6	1,070.0	107%
Construction Machinery	583.6	720.0	123%
High Functional Materials & Components	1,249.3	1,400.0	112%
Automotive Systems	638.8	680.0	106%
Components & Devices	754.8	870.0	115%
Digital media & Consumer Products	929.2	920.0	99%
Financial Services	419.6	360.0	86%
Others	763.6	780.0	102%
Eliminations & Corporate items	(1,207.2)	(1,300.0)	-
Total	8,968.5	9,200.0	103%

2-4. Outlook for Fiscal 2010 Operating Income (Loss) by Industry Segment

Billions of yen

	Fiscal 2009	Fiscal 2010 (Forecast)	Year-over-year
Information & Telecommunication Systems	94.5	100.0	5.4
Power Systems	22.0	29.0	6.9
Social Infrastructure & Industrial Systems	42.0	37.0	(5.0)
Electronic Systems & Equipment	(5.2)	28.0	33.2
Construction Machinery	17.6	35.0	17.3
High Functional Materials & Components	44.4	82.0	37.5
Automotive Systems	(5.4)	17.0	22.4
Components & Devices	1.1	54.0	52.8
Digital media & Consumer Products	(7.2)	7.0	14.2
Financial Services	8.5	15.0	6.4
Others	19.4	20.0	0.5
Eliminations & Corporate items	(29.8)	(84.0)	(54.1)
Total	202.1	340.0	137.8

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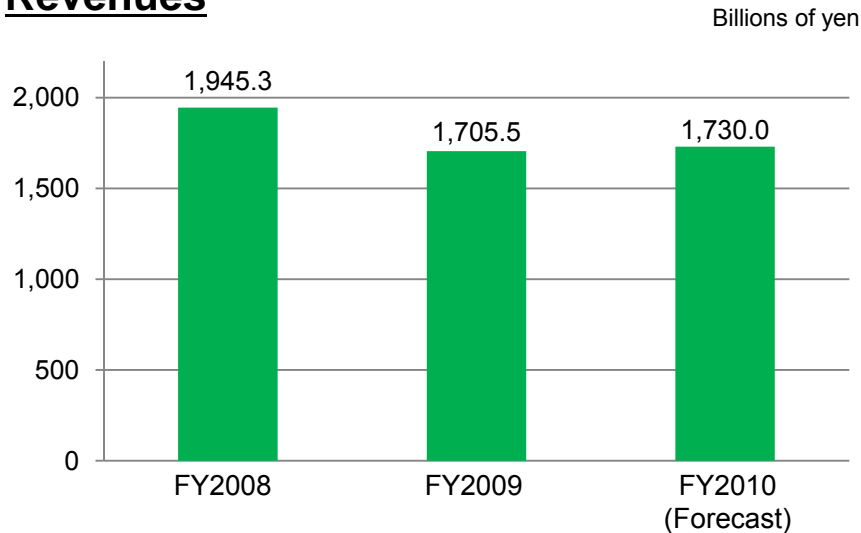


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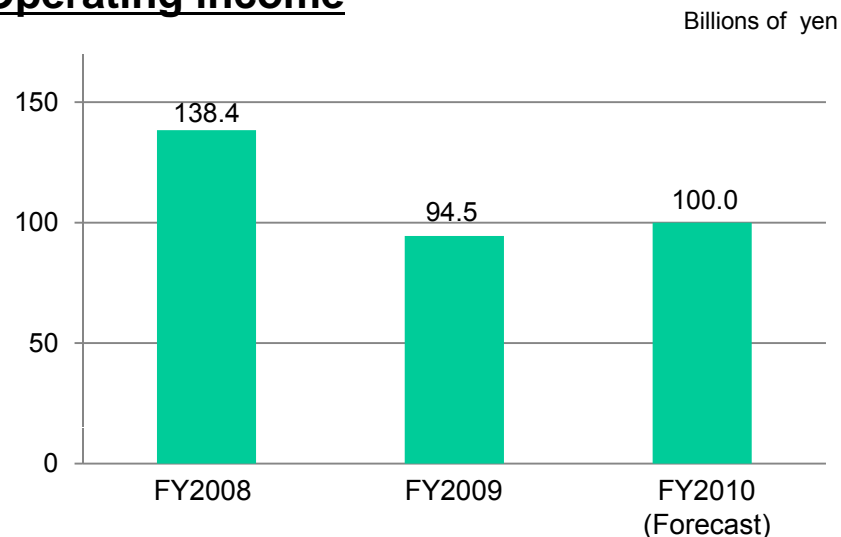
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3-1. Information & Telecommunication Systems

Revenues



Operating income



Result Overview

•Figures in brackets are comparisons with previous year

FY2009

Revenues: 1,705.5 billion yen [88%],

Operating income: 94.5 billion yen [(43.8) billion yen]

- Lower revenues and earnings due to constraints on IT investment.

FY2010 (Forecast)

Revenues: 1,730.0 billion yen [101%],

Operating income: 100.0 billion yen [5.4 billion yen]

- The Japanese IT market is expected to bottom out in the first half of FY2010 and then pick up slowly in the second half.

Main Initiatives

Expand global business

- Develop business centered on storage, consulting services and data centers.

Strengthen the cloud computing business

- Develop eco-conscious data center services.

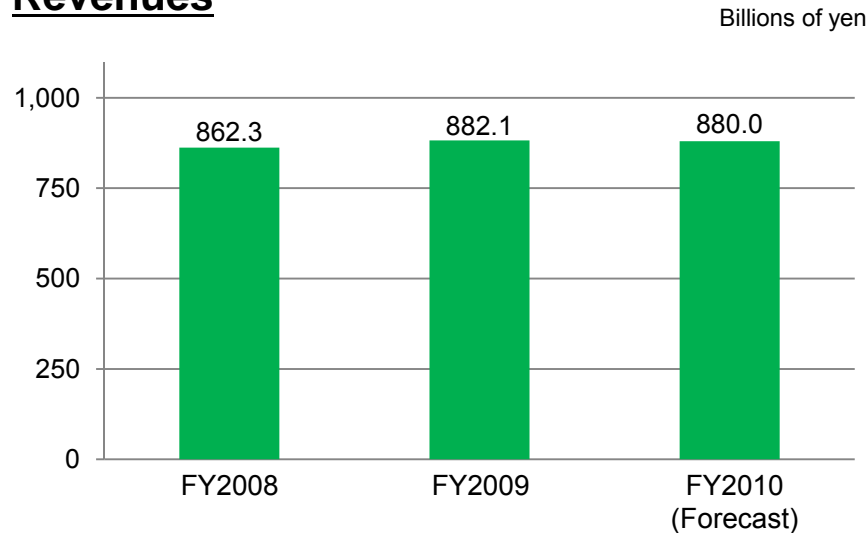
- Expand and enhance lineup of various cloud computing-related solutions.

Promote consolidated group management

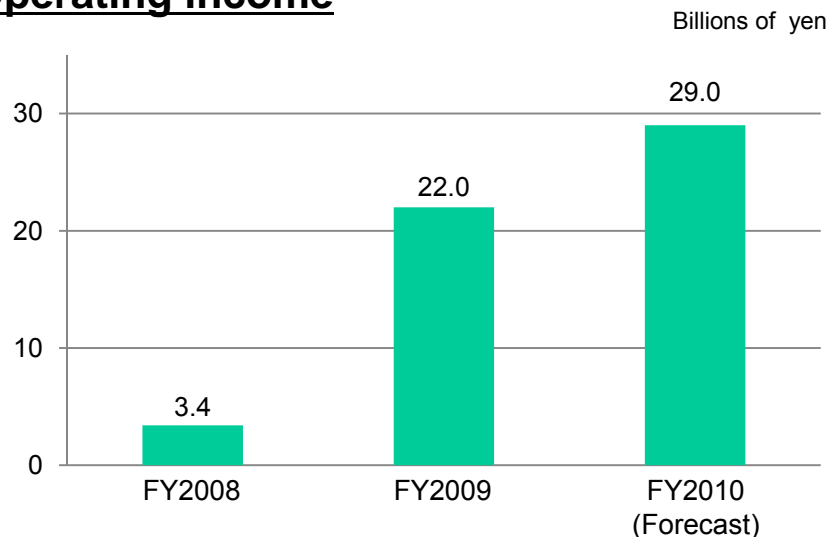
- Hitachi Software Engineering Co., Ltd., and Hitachi Systems & Services, Ltd. to merge. (October 2010)

3-2. Power Systems

Revenues



Operating income



Result Overview

•Figures in brackets are comparisons with previous year

FY2009

Revenues: 882.1 billion yen [102%],
Operating income: 22.0 billion yen [18.5 billion yen]
- Expand the thermal power plants business overseas.
- Improved margins on large projects through better project management, etc.

FY2010 (Forecast)

Revenues: 880.0 billion yen [100%],
Operating income: 29.0 billion yen [6.9 billion yen]
- Continue strengthening project management.
- Continue fixed cost-reduction initiatives.

Main Initiatives

Step up global business development.

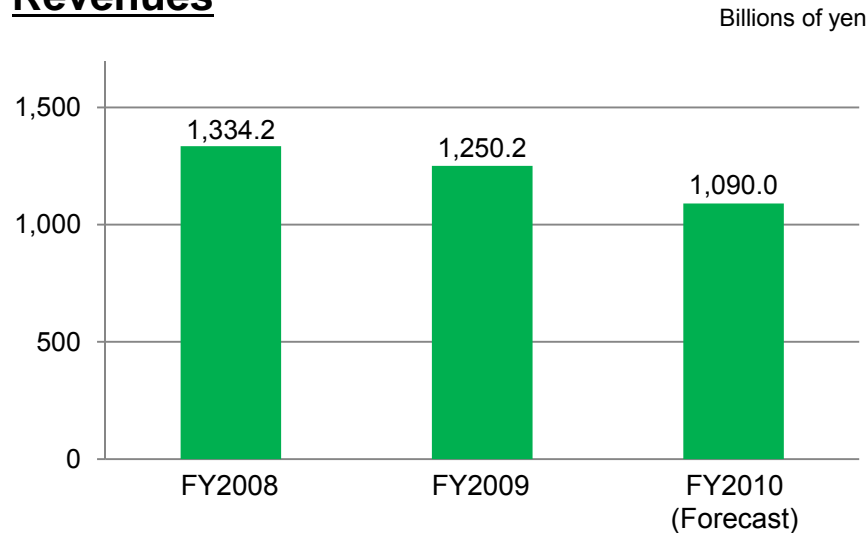
- Thermal power plants:
Reinforce sales and production framework through stronger cooperation with overseas bases and local partners.
- Nuclear power plants:
Win more orders in emerging economies through greater cooperation with governments and power utilities

Step up activities in low-carbon energy technologies

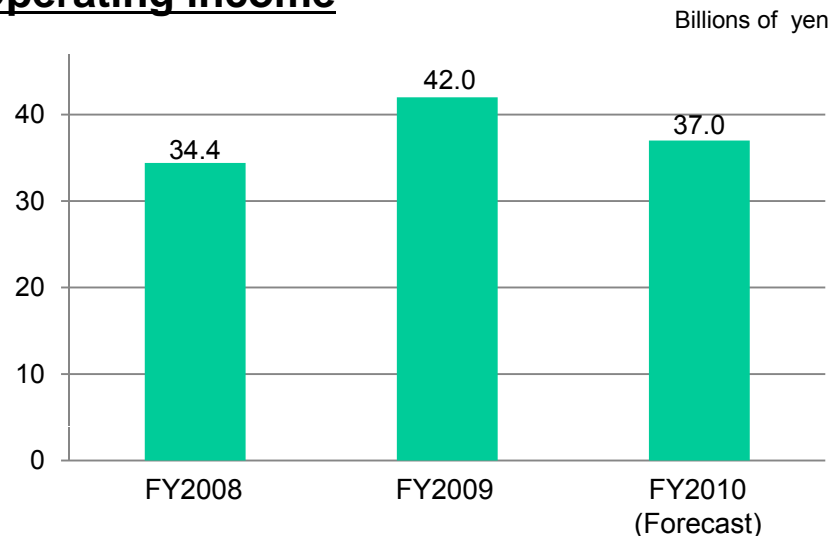
- Improve the efficiency of thermal power plants/accelerate development of carbon dioxide capture technologies.
- Continue to take part in constructing new ABWR plants in the nuclear power plant field in Japan.
- Increase orders for wind power generation and mega-solar systems.
- Actively promote joint research on smart grids and demonstration businesses. (Japan, U.S., China, India, etc.)

3-3. Social Infrastructure & Industrial Systems

Revenues



Operating income



Result Overview

•Figures in brackets are comparisons with previous year

FY2009

- Revenues: 1,250.2 billion yen [94%],
Operating income: 42.0 billion yen [7.6 billion yen]
- Lower revenues due to decreased sales of elevators and escalators, and industrial equipment.
 - Increased earnings through improved project management, cost reductions, etc.

FY2010 (Forecast)

- Revenues: 1,090.0 billion yen [87%],
Operating income: 37.0 billion yen [(5.0) billion yen]
- Decrease in railway systems overseas and price drop in the social and industrial fields.
 - Expect Chinese elevator and escalator business to continue growing.

Main Initiatives

Strengthen and expand the railway systems business

- Expand U.K. and Chinese businesses, focus on high-speed railways and monorail projects.
- Strengthen cooperation with partners in Japan and overseas.

Increase competitiveness and globalize operations in the social and industrial fields

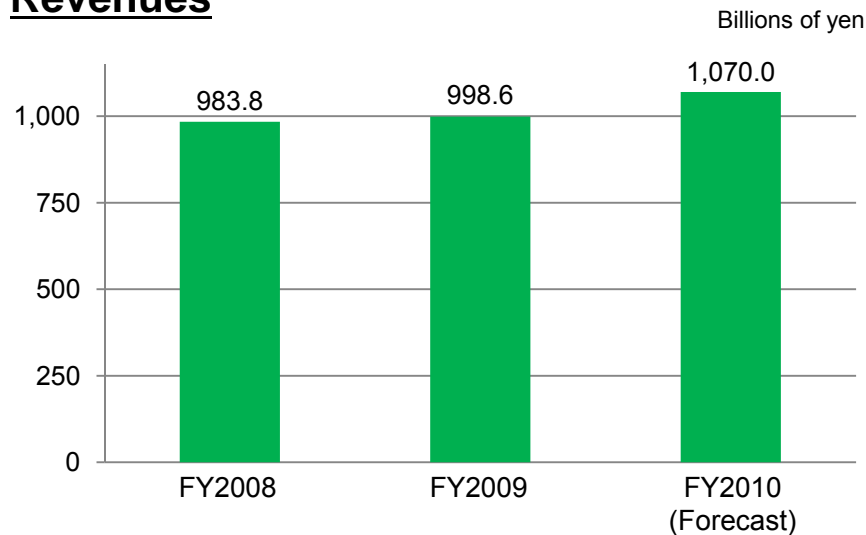
- Provide total solutions and develop the water business globally through cooperation within the Hitachi Group.

Reinforce and expand the elevator and escalator business

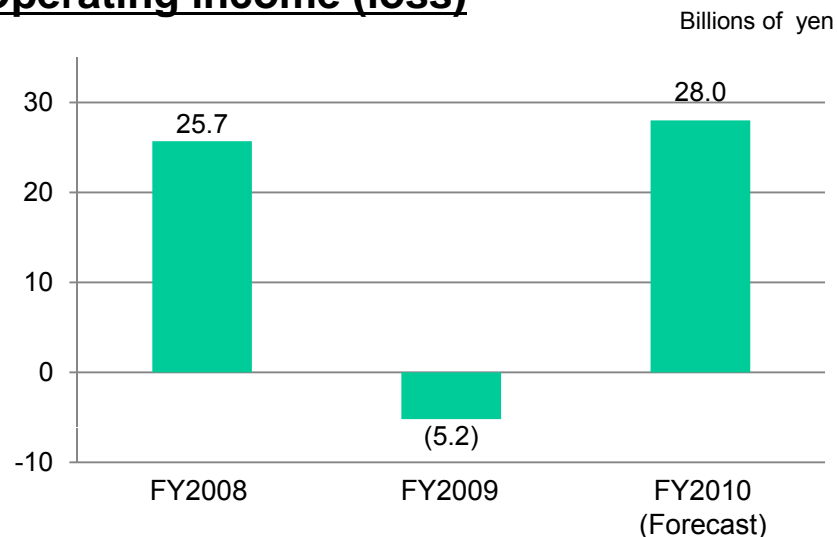
- Win more new orders overseas, especially in China.
- Increase orders for renewing or replacing escalators and escalators in Japan.

3-4. Electronic Systems & Equipment

Revenues



Operating income (loss)



Result Overview

•Figures in brackets are comparisons with previous year

FY2009

Revenues: 998.6 billion yen [102%],
Operating loss: (5.2) billion yen [(30.9) billion yen]
- Revenues increased due to consolidation of Hitachi Kokusai Electric Inc. and Hitachi Koki Co., Ltd.
- Lower earnings at Hitachi High-Technologies Corporation, Hitachi Medical Corporation and Hitachi Koki, narrower loss at Hitachi Kokusai Electric.

FY2010 (Forecast)

Revenues: 1,070.0 billion yen [107%],
Operating income: 28.0 billion yen [33.2 billion yen]
- Higher revenues and earnings projected at every company in line with recovering market conditions.

Main Initiatives

Hitachi High-Technologies Corporation

- Expand sales into growth fields such as semiconductor manufacturing equipment for memory devices.
- Create new businesses and strengthen trading functions.

Hitachi Medical Corporation

- Strengthen overseas production, sales and services framework
- Reinforce product development capabilities (Quickly develop next-generation products)

Hitachi Kokusai Electric Inc.

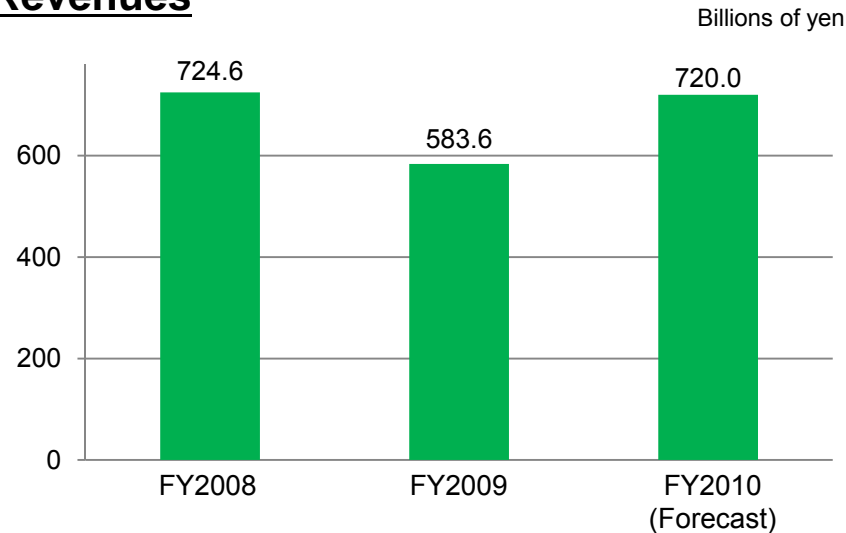
- Expand business domains with new products in semiconductor manufacturing equipment, strengthen service and parts business.

Hitachi Koki Co., Ltd.

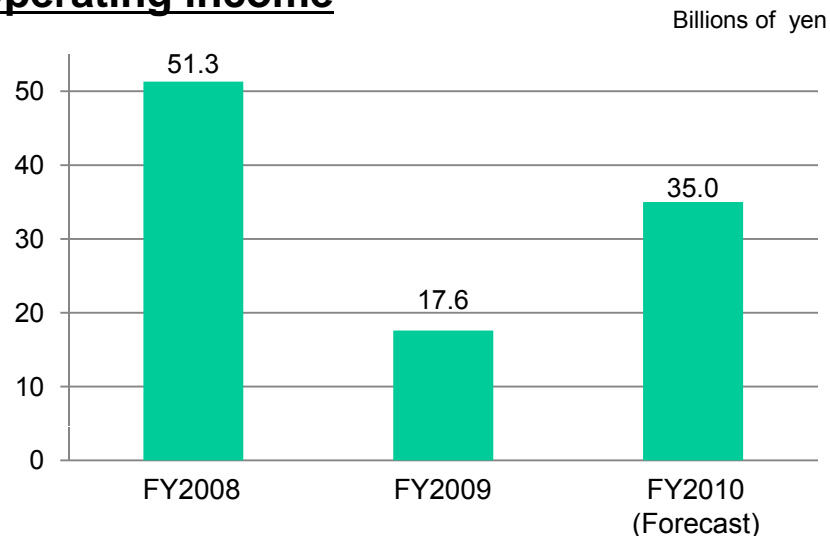
- Increase transactions globally, expand sales of engines and horticultural tools.

3-5. Construction Machinery

Revenues



Operating income



Result Overview

•Figures in brackets are comparisons with previous year

FY2009

Revenues: 583.6 billion yen [81%],

Operating income: 17.6 billion yen [(33.6) billion yen]

- Lower revenues and earnings due to global market sluggishness.
- Improvement in China and other emerging countries.

FY2010 (Forecast)

Revenues: 720.0 billion yen [123%],

Operating income: 35.0 billion yen [17.3 billion yen]

- Projecting higher revenues and earnings in line with recovering global demand for hydraulic excavators.
- Made an Indian equity-method affiliate a consolidated subsidiary. (End of March 2010)

Main Initiatives

Strengthen overseas business on a regional basis

- India: Leverage the consolidation of an equity-method affiliate to strengthen local business and use as base to break into neighboring emerging countries.
- Russia: Establish a sales company to facilitate the supply of products.

Strengthen the wheel loader business

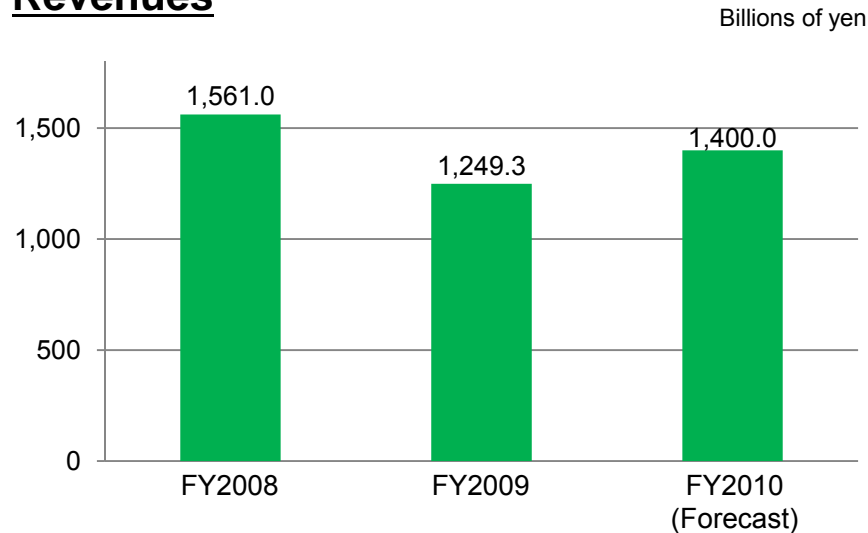
- Made TCM a wholly owned subsidiary (December 2009) and transferred production bases to Hitachi Construction Machinery Co., Ltd. (April 2010)
- Acquired an equity interest in KCM Corporation, a subsidiary of Kawasaki Heavy Industries, Inc. (April 2010)

Strengthen business targeting mines

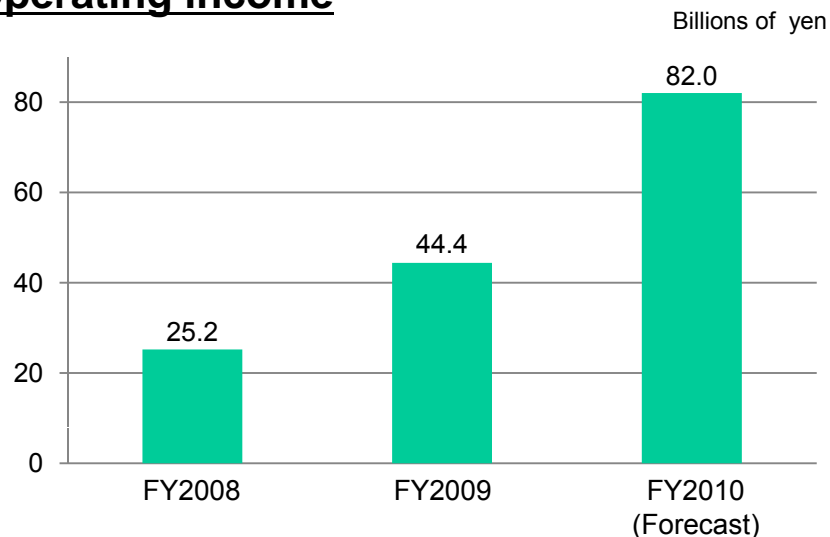
- Acquired a company supplying mine management systems in Canada (July 2009)

3-6. High Functional Materials & Components

Revenues



Operating income



Result Overview

•Figures in brackets are comparisons with previous year

FY2009

Revenues: 1,249.3 billion yen [80%] ,

Operating income: 44.4 billion yen [19.1 billion yen]

- Posted higher earnings on lower revenues, overcoming the impact of a drop-off in the first half of fiscal 2009 with cost cuts and other actions.
- Improvement mainly in electronics-related products for LCD- and semiconductor-related applications, and components for automotive applications.

FY2010 (Forecast)

Revenues: 1,400.0 billion yen [112%],

Operating income: 82.0 billion yen [37.5 billion yen]

- Hitachi Cable, Ltd., Hitachi Metals, Ltd. and Hitachi Chemical Co., Ltd. are all projecting higher revenues and earnings on the back of recovery in electronics- and automotive-related markets as well as capital investment.

Main Initiatives

Hitachi Cable, Ltd.

- Focusing on electric power infrastructure, next-generation energy, industrial infrastructure.
- Aiming to raise overseas sales ratio (FY2012 target: 38%)

Hitachi Metals, Ltd.

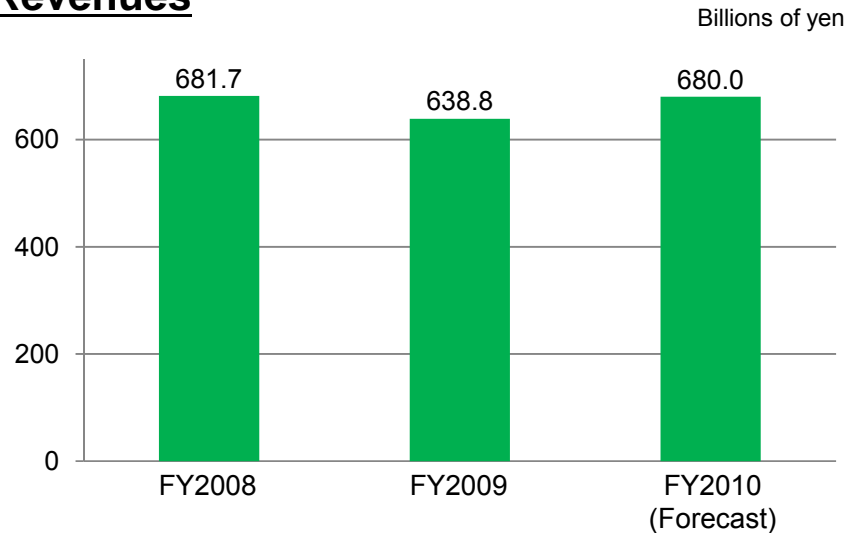
- Aiming to raise overseas sales ratio (to at least 50% over the next 3 years)
- Aiming to increase sales ratio generated by new products, and respond to CO₂ emissions regulations.

Hitachi Chemical Co., Ltd.

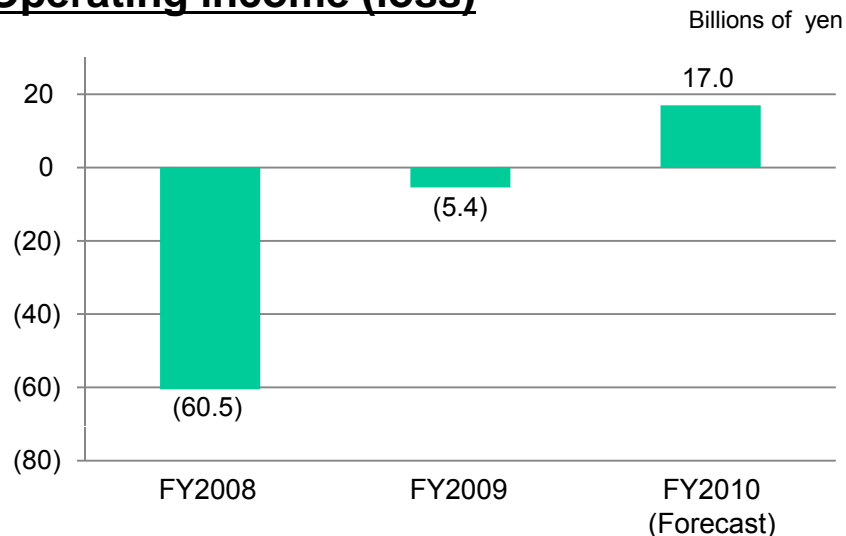
- Focusing on information & telecommunications, energy and environment, automobiles and life science fields.
- Develop new products and open up new markets.

3-7. Automotive Systems

Revenues



Operating income (loss)



Result Overview

•Figures in brackets are comparisons with previous year

FY2009

Revenues: 638.8 billion yen [94%],

Operating loss: (5.4) billion yen [55 billion yen]

- Higher second-half revenues in line with rising automobile shipments, centered on eco-conscious cars, failed to compensate for a first-half decline, leading to lower overall revenues.
- The operating loss was much narrower due to improved capacity utilization and the benefits of business structure reforms. The segment returned to profitability in the second half of the fiscal year.

FY2010 (Forecast)

Revenues: 680.0 billion yen [106%],

Operating income: 17.0 billion yen [22.4 billion yen]

- Projecting higher earnings and a return to profitability on increased revenues due to rising automobile shipments in emerging economies and elsewhere, and other factors.

Main Initiatives

Continue focusing on eco-conscious vehicles

- Concentrate business resources on strengthening electronic powertrain systems and engine management systems businesses for eco-conscious vehicles.

Continue with cost-structure reforms

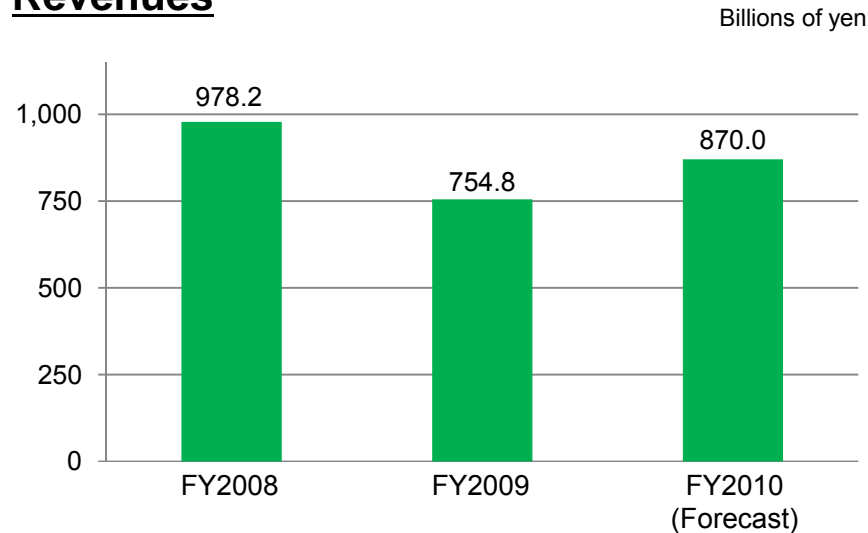
- Strengthen the ability to provide systems leveraging electronic control and other outstanding technologies.

Continue to optimize business bases

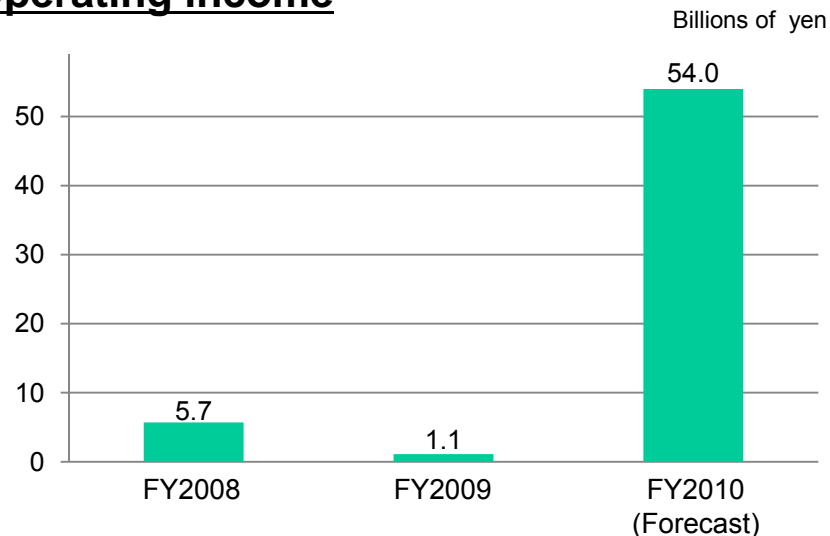
- Optimize production among Japanese and overseas bases leveraging elemental technology strengths.

3-8. Components & Devices (1)

Revenues



Operating income



Result Overview

•Figures in brackets are comparisons with previous year

FY2009

Revenues: 754.8 billion yen [77%] ,

Operating income: 1.1 billion yen [(4.6) billion yen]

- HDD operations posted lower sales and earnings due to constraints on IT investment.
- Sales of displays dropped for mobile phones and game consoles.

FY2010 (Forecast)

Revenues: 870.0 billion yen [115%],

Operating income: 54.0 billion yen [52.8 billion yen]

- Projecting higher revenues and earnings mainly due to expanding sales of lithium-ion batteries, especially for mobile phones, as well as growth in HDD shipments in line with recovering HDD market conditions.

Main Initiatives

Hitachi Global Storage Technologies

- Entered the external HDD business with the acquisition of Fabrik, Inc. (April 2009)
- Acquired a Malaysian substrate manufacturing facility (July 2009)
- Jointly developing SSD for enterprise use with U.S. company Intel, which is planning to launch SSD products before the end of 2010.

Hitachi Maxell, Ltd.

- Expand sales of mid-sized lithium-ion batteries for power tools and other applications.
- Promote development of laminated batteries for electric motorcycles.

Hitachi Displays, Ltd.

- Expand sales of high-resolution, touch screen products.

3-8. Components & Devices (2) (Overview of Hard Disk Drive Business)

		FY 2008 Total (A)	FY 2009			FY 2010	
			Three months ended June 30 (B)	Total (C)	(C)/(A)X100	Three months ended June 30 (D) (Preliminary)	(D)/(B)X100
Shipment Period		Jan – Dec.2008	Jan – Mar. 2009	Jan – Dec.2009		Jan – Mar. 2010	
Revenues	Billions of yen	573.3	97.7	451.7	79%	132.3	135%
	Millions of dollars	5,574	1,026	4,821	86%	1,459	142%
Operating income (loss)	Billions of yen	21.4	△5.4	9.2	43%	19.7	-
	Millions of dollars	208	△57	106	51%	217	-

Result Overview

*Figures in brackets are comparisons with previous year

FY2009

Revenues: 451.7 billion yen [79%],

Operating income: 9.2 billion yen [(12.2) billion yen]

- Posted lower revenues and earnings due to the impact of constrained IT investment in the first six months of 2009.
- Increased revenues and earnings in the October - December quarter of 2009 thanks to recovering market conditions.

FY2010(Forecast)

- Projecting higher earnings on higher revenues mainly due to recovering market conditions and cost-cutting benefits.

Main Initiatives

Increase profitability and cut costs

- Optimize the product mix.
- Create a more efficient supply chain.
- Efficiently utilize manufacturing bases.

Strict management of operating costs

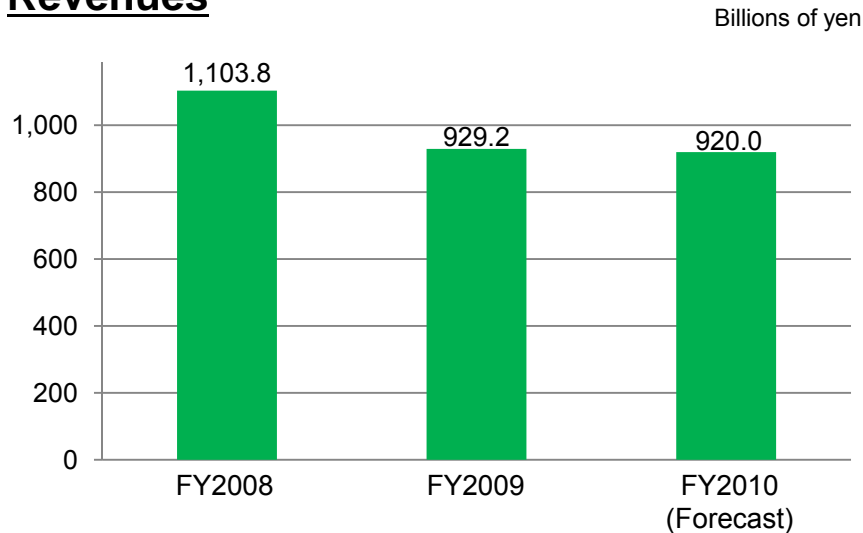
- Improve business management to facilitate expansion.
- Selectively invest in high-profit fields.

Invest to drive sales growth and earnings

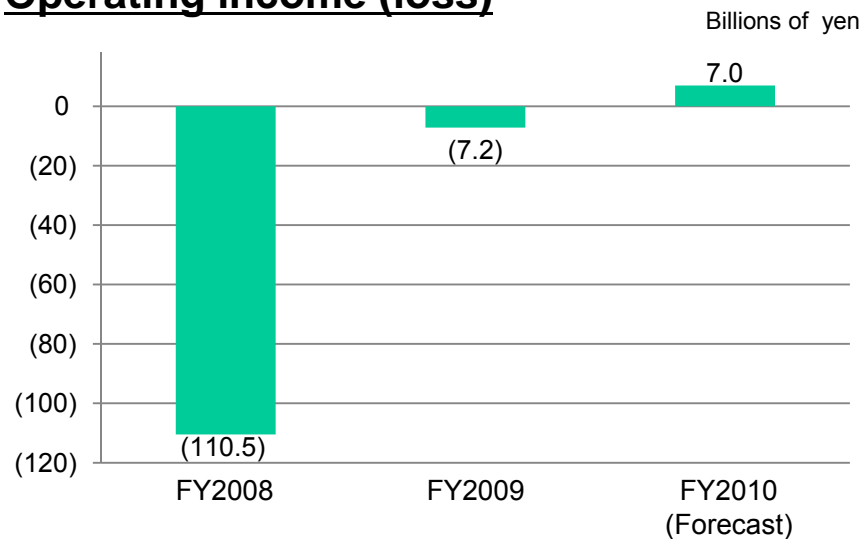
- Invest to strengthen technological and production capabilities.
- Raise production efficiency and efficiently utilize assets.

3-9. Digital media & Consumer Products

Revenues



Operating income (loss)



Result Overview

•Figures in brackets are comparisons with previous year

FY2009

Revenues: 929.2 billion yen [84%],

Operating loss: (7.2) billion yen [103.3 billion yen]

- Significant year-over-year improvement in the operating loss due to progress made with business structure reforms.
- Moved into the black on a quarterly basis from the second quarter (July-September 2009).

FY2010 (Forecast)

Revenues: 920.0 billion yen [99%],

Operating income: 7.0 billion yen [14.2 billion yen]

- Projecting a return to full-year profitability due to the benefits of business structure reforms in the digital media business.

Main Initiatives

Strengthen B2B business

- Strengthen efforts to develop the LCD projector market, particularly in emerging countries.

Continue work to stabilize the TV business operating base

- Bolster the lineup by using OEM and manufacturing outsourcing, and improve the cost structure.

Expand the comprehensive air conditioning business globally

- Push ahead with business expansion in Brazil and other emerging countries.

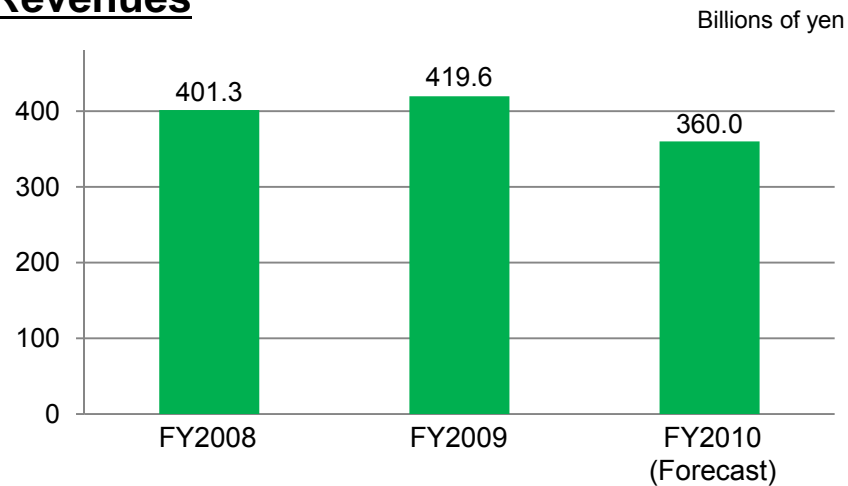
Maintain and expand earnings in the home appliances business

- Expand the business in a way that addresses the needs in each country

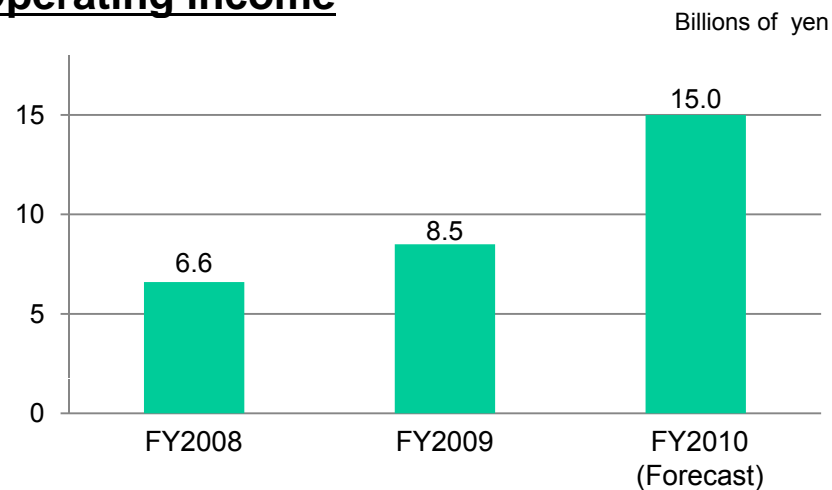
3-10. Financial Services / Others

Financial Services

Revenues

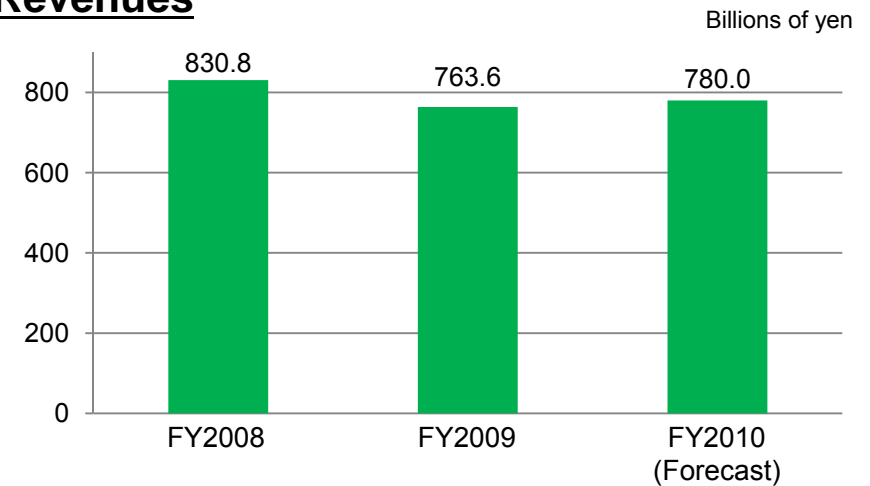


Operating income

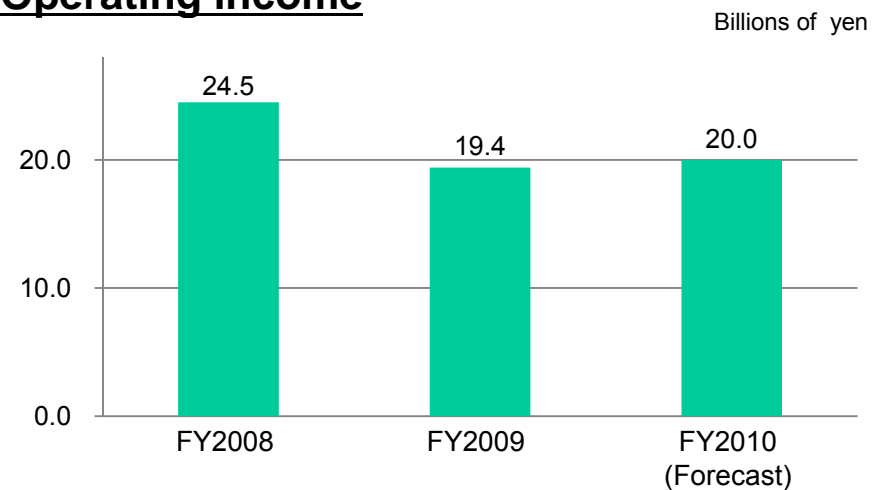


Others

Revenues



Operating income



Cautionary Statement

Certain statements found in this document may constitute “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such “forward-looking statements” reflect management’s current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as “anticipate,” “believe,” “expect,” “estimate,” “forecast,” “intend,” “plan,” “project” and similar expressions which indicate future events and trends may identify “forward-looking statements.” Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the “forward-looking statements” and from historical trends. Certain “forward-looking statements” are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on “forward-looking statements,” as such statements speak only as of the date of this document.

Factors that could cause actual results to differ materially from those projected or implied in any “forward-looking statement” and from historical trends include, but are not limited to:

- economic conditions, including consumer spending and plant and equipment investments in Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, as well as levels of demand in the major industrial sectors which Hitachi serves, including, without limitation, the information, electronics, automotive, construction and financial sectors;
- exchange rate fluctuations for the yen and other currencies in which Hitachi makes significant sales or in which Hitachi’s assets and liabilities are denominated, particularly against the U.S. dollar and the euro;
- uncertainty as to Hitachi’s ability to access, or access on favorable terms, liquidity or long-term financing;
- uncertainty as to general market price levels for equity securities in Japan, declines in which may require Hitachi to write down equity securities that it holds;
- the potential for significant losses on Hitachi’s investments in equity method affiliates;
- increased commoditization of information technology products and digital media-related products and intensifying price competition for such products, particularly in the Components & Devices and the Digital Media & Consumer Products segments;
- uncertainty as to Hitachi’s ability to continue to develop and market products that incorporate new technology on a timely and cost-effective basis and to achieve market acceptance for such products;
- rapid technological innovation;
- the possibility of cost fluctuations during the lifetime of or cancellation of long-term contracts, for which Hitachi uses the percentage-of-completion method to recognize revenue from sales;
- fluctuations in the price of raw materials including, without limitation, petroleum and other materials, such as copper, steel, aluminum and synthetic resins;
- fluctuations in product demand and industry capacity;
- uncertainty as to Hitachi’s ability to implement measures to reduce the potential negative impact of fluctuations in product demand, exchange rates and/or price of raw materials;
- uncertainty as to Hitachi’s ability to achieve the anticipated benefits of its strategy to strengthen its Social Innovation Business;
- uncertainty as to the success of restructuring efforts to improve management efficiency by divesting or otherwise exiting underperforming businesses and to strengthen competitiveness and other cost reduction measures;
- general socio-economic and political conditions and the regulatory and trade environment of Hitachi’s major markets, particularly Japan, Asia, the United States and Europe, including, without limitation, direct or indirect restrictions by other nations on imports, or differences in commercial and business customs including, without limitation, contract terms and conditions and labor relations;
- uncertainty as to the success of alliances upon which Hitachi depends, some of which Hitachi may not control, with other corporations in the design and development of certain key products;
- uncertainty as to Hitachi’s access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies;
- uncertainty as to the outcome of litigation, regulatory investigations and other legal proceedings of which the Company, its subsidiaries or its equity method affiliates have become or may become parties;
- the possibility of incurring expenses resulting from any defects in products or services of Hitachi;
- the possibility of disruption of Hitachi’s operations in Japan by earthquakes or other natural disasters;
- uncertainty as to Hitachi’s ability to maintain the integrity of its information systems, as well as Hitachi’s ability to protect its confidential information and that of its customers;
- uncertainty as to the accuracy of key assumptions Hitachi uses to value its significant employee benefit related costs; and
- uncertainty as to Hitachi’s ability to attract and retain skilled personnel.

The factors listed above are not all-inclusive and are in addition to other factors contained in Hitachi’s periodic filings with the U.S. Securities and Exchange Commission and in other materials published by Hitachi.

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